

NEIGHBORHOOD ASSISTANCE PROGRAM (NAP)

Helping Build Successful Communities





Habitat for Humanity, Coatesville, PA

NEIGHBORHOOD ASSISTANCE PROGRAM OVERVIEW

The Neighborhood Assistance Program (NAP) has served as a resource for nonprofits, businesses and neighborhoods for over 30 years. NAP includes five subparts: regular NAP, NPP (Neighborhood Partnership Program), SPP (Special Priorities Program), CFP (Charitable Food Program), and EZP (Enterprise Zone Program). The goals of NAP are to promote community participation and collaborations among nonprofits, businesses and residents while producing outcomes which assist a distressed area or the low-income population in a neighborhood.

For each fiscal year between 2012-13 and 2018-19, the Neighborhood Assistance Program awarded \$18 million in tax credits to support projects across the state. Due to high demand for NAP tax credits, the program increased available tax credits to \$36 million in the 2019-20 fiscal year. With the change in economic situations over the last several years, tax credit programs have become a more attractive resource for organizations and businesses looking to perform community based improvement programs. COVID-19 pandemic recovery and ongoing social injustice have shown that vulnerable communities are still in significant need of assistance. As a result, activities that seek to address these issues were given priority for the 2020/2021 and 2021/2022 program years and continue to be important in 2022/2023. These activities can include emergency food distribution, social injustice solutions, employment services, pandemic relief activities, and many others. Businesses are encouraged to participate with agencies that are undertaking these activities.

NAP - NEIGHBORHOOD ASSISTANCE PROGRAM

A project must serve distressed areas or support neighborhood conservation. Projects must fall under one of the following categories: affordable housing programs, community services, crime prevention, education, job training or neighborhood assistance. A tax credit of up to 55% can be given.

NPP - NEIGHBORHOOD PARTNERSHIP PROGRAM

Long-term collaborations (five years or more) of business, government and community leaders to produce a comprehensive, asset-based and relationship-driven approach to community development. A tax credit of 75% or 80% can be given based on the length of the program (Please refer to the guidelines for more information).

SPP - SPECIAL PRIORITIES PROGRAM

This program targets on specific problems and projects which the state has designated as priorities (see NAP/SPP guidelines for a list of the priorities) in a distressed area. The tax benefit to a business firm contributing to an approved SPP application would be eligible for up to a 75% tax credit.

CFP - CHARITABLE FOOD PROGRAM

The Charitable Food Program is designed to help regional food banks or emergency food providers. Funding to CFP is supplied through tax credits given to businesses making contributions to an approved provider. A tax credit of up to 55% can be given.

EZP - ENTERPRISE ZONE TAX CREDIT

An incentive program that provides tax credits to private companies investing in rehabilitating, expanding, or improving buildings or land located within designated enterprise zones.

TAX CREDITS FOR BUSINESSES DOING GOOD IN OUR COMMUNITIES

If your business is engaged in a public-private partnership with an eligible neighborhood organization to support community development projects in a fiscally distressed neighborhood or low-income community, you may qualify for Pennsylvania tax credits through the Neighborhood Assistance Program (NAP).

COMMUNITY COLLABORATIONS RESULT IN SUCCESS

The Neighborhood Assistance Program (NAP) promotes community participation and collaborations among nonprofits, businesses, and residents while producing outcomes which assist a distressed area or the low-income population in a neighborhood. Many nonprofits have found establishing business partnerships through NAP can help ensure community development projects receive the financial support and investment they need to succeed.

AN INTEGRAL COMMUNITY RESOURCE

Over the last several years, there has been continued and consistent interest in using the Neighborhood Assistance Program (NAP) for community revitalization efforts, with a focus on the low-income population. Projects range from affordable housing to crime prevention and workforce development to blight elimination.

Consistently, over the last several years, use of the long term Neighborhood Partnership Program (NPP) has sparked innovative community development projects, with new projects appearing in the Northeast and Central Regions where NPP has historically been underutilized. Also, the Special Program Priorities (SPP) portion of NAP has seen a significant increase in the number of projects initiated to address critical issues in distressed areas. The Department has seen a corresponding increase in the amount of leveraged funds as a result of increased NAP usage throughout the state and the increased availability of NAP tax credits thanks to the change to a \$36 million allocation. Finally, the Charitable Food Program, which was restricted to \$3 million dollars prior to the increase in NAP tax credits, saw a significant increase in tax credits awarded for the 2019/2020 program year and has continued to grow with subsequent year.

Overall, the history of the program has demonstrated that NAP is an important and integral resource for community development efforts.

“The NAP grant was instrumental in pushing the Sew Forward program to the next level. We doubled the size of our studio and purchased new machines and supplies. Our students and employees can work in a safe and comfortable environment which promotes a sense of self-pride and accomplishment. We are creating jobs and teaching a trade and thus improving our community.”

*– Tony Cortese,
Director of Business Development,
East End Cooperative Ministry*

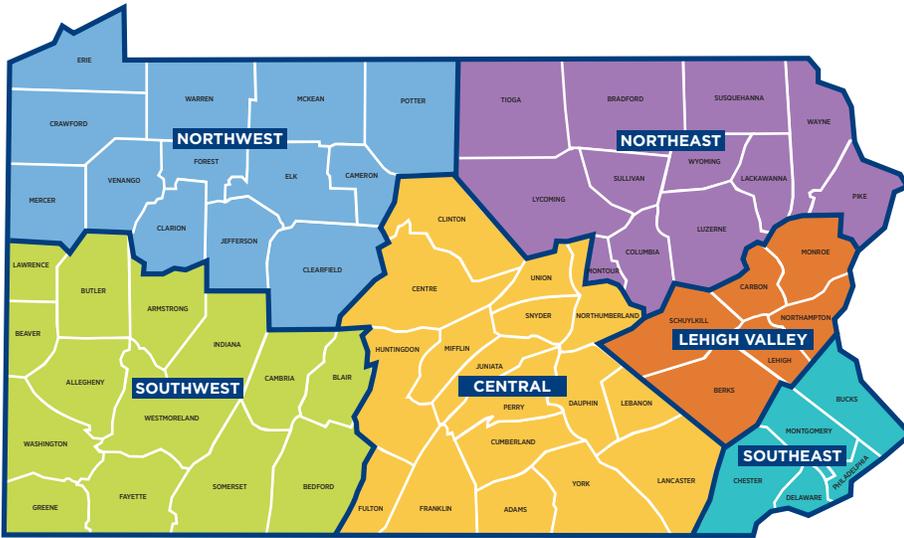




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REGIONAL TAX CREDIT AWARDS

Awards in 2020-21 and 2021-2022 highlighted the increased need for NAP throughout the state. NAP activity grew considerably with large increases in the number of projects throughout the state. This increased demand for NAP exemplifies the importance of government/non-profit/business partnerships which advance solutions to local community problems. Only through business involvement is the success of community revitalization and development of NAP realized.



MEET THE TEAM

The Department of Community and Economic Development's regional offices are the first point of contact for local agencies and municipalities regarding economic development programs. For this reason, they are also an excellent point of contact for businesses looking to connect with and contribute to agencies participating in the Neighborhood Assistance Program. The regional teams provide technical assistance to those businesses interested in participating in the Enterprise Zone Program. We're invested in enhancing the quality of life for all Pennsylvanians through the revitalization of our cities and boroughs. Contact an office near you to get started!

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